

To All Concerned Parties

REIT Issuer:
Kenedix Residential Next Investment Corporation
Representative: Keisuke Sato, Executive Director
(Securities Code Number: 3278)

Asset Management Company
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Notice Concerning Succession of Status on Merger of Operators (Activa Biwa)

Kenedix Residential Next Investment Corporation (“the Investment Corporation”) announced today that the Investment Corporation has decided to consent to a proposal concerning succession of status on merger of operators in the healthcare facility it owns (“the succession”). Details are as follows.

1. Summary of consent to the succession

Regarding the succession, Trust Garden Co., Ltd. (wholly-owned subsidiary of Resorttrust Inc.) will merge with Activa Co., Ltd. (wholly-owned subsidiary of Resorttrust Inc.) which is the operator of "(H-10) Activa Biwa" as effective date on April 1, 2018. As a result, Trust Garden Co., Ltd. will succeed the status of the operator of Activa Biwa.

Trust Garden Co., Ltd. is the core company responsible for nursing care business in the Resort Trust group, and currently offers high quality hospitality services at 15 operating facilities nationwide. As a result of the succession, by the name of the operator of Activa Biwa becoming Trust Garden Co., Ltd., in addition to maintain and stabilize the current business management, further improvement of the occupancy rate is expected from the high awareness. Therefore, the Investment Corporation believes that the succession accompanying this merger will contribute to the maximization of the unitholders’ value and has decided to consent to the proposal regarding the succession.

2. Change of operator by the succession

Property name : (H-10) Activa Biwa

	New operator	Current operator
Name of operator (end-tenant)	Trust Garden Co., Ltd.	Activa Co., Ltd.

(Note) Trust Garden Co., Ltd. will succeed the current lease agreement without changing the terms and conditions.

Effective date : April 1, 2018

3. Overview of new operator and parent company of new operator

Company profile and business overview

Name	Trust Garden Co., Ltd.
Address	4-36-19 Yoyogi, Shibuya-ku, Tokyo
Representative	Ariyoshi Fushimi, Representative Director
Business description	Operation of fee-based homes for the elderly with nursing care
Capital ⁽¹⁾	50 million yen
Established	August 6, 2007
Net sales ⁽¹⁾	5,944 million yen
Number of operating facilities ⁽¹⁾	15 facilities (6 facilities in the Chukyo and Kansai regions)
Number of rooms ⁽¹⁾	1,513 rooms (849 rooms in the Chukyo and Kansai regions)

Company profile and business overview of parent company

Name	Resorttrust Inc. (Listed on the first section of Tokyo Stock Exchange and Nagoya Stock Exchange)
Address	2-18-31 Higashisakura, Naka-ku, Nagoya-shi
Representative	Katsuyasu Ito, President
Business description	Membership business, hotel, restaurant and other business and medical business
Capital ⁽²⁾	19,588 million yen
Net sales ⁽²⁾	143,541 million yen

(Note 1) Based on information as of March 20, 2018 which the Investment Corporation obtained from Resorttrust Inc. by conducting interviews.

(Note 2) Based on the consolidated financial statement indicated in Resorttrust Inc.'s securities report for the fiscal period ended March 2017.

4. Future Outlook

There will be no impact from the succession on the performance for the fiscal period ending July 2018 (February 1, 2018 to July 31, 2018) and the fiscal period ending January 2019 (August 1, 2018 to January 31, 2019)

* Website URL of the Investment Corporation: <https://www.kdr-reit.com/en/>

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.